

**UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO
RICO,

as representative of

THE COMMONWEALTH OF PUERTO
RICO, et al.,

Debtors.

PROMESA

Title III

No. 17-bk-3283-LTS

(Jointly Administered)

SUMMARY SHEET

**PENSION TRUSTEE ADVISORS, INC.'S FIRST
INTERIM APPLICATION FOR ALLOWANCE OF COMPENSATION AND
REIMBURSEMENT OF EXPENSES INCURRED AS PENSION CONSULTANT TO
FINANCIAL OVERSIGHT AND MANAGEMENT BOARD, AS REPRESENTATIVE OF
THE DEBTORS, FROM JULY 29, 2017 THROUGH SEPTEMBER 30, 2017**

Applicant:	Pension Trustee Advisors, Inc.
Authorized to provide services to:	Financial Oversight and Management Board, as Representative of the Debtors, pursuant to PROMESA section 315(b)
Effective date of retention:	July 29, 2017
Compensation period:	July 29, 2017 through September 30, 2017
Compensation sought:	\$28,901.25
Expense reimbursement sought:	\$4,214.88
Total sought:	\$33,116.13
Compensation sought herein that has already been paid under Interim Compensation Order	\$0
Expenses sought herein that have already been paid under Interim Compensation Order	\$0
This is a: <input type="checkbox"/> monthly <input checked="" type="checkbox"/> interim <input type="checkbox"/> final application	

SUMMARY OF TIME BILLED DURING COMPENSATION PERIOD

Name	Title	Hours Billed¹	Hourly Rate	Total Fees
William Forna	President	72.25	\$465	\$27,551.25
Miguel Tulla	Financial Advisor	6.00	\$225	\$ 1,350.00

Total: \$28,901.25

¹ Twenty-six hours were billed by Mr. Forna for nonworking travel during the Compensation Period. That time is being billed at 50% of his hourly rate.

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(Jointly Administered)

**PENSION TRUSTEE ADVISORS, INC.’S FIRST INTERIM
APPLICATION FOR ALLOWANCE OF COMPENSATION AND REIMBURSEMENT
OF EXPENSES INCURRED AS PENSION CONSULTANT TO FINANCIAL OVERSIGHT
AND MANAGEMENT BOARD, AS REPRESENTATIVE OF THE DEBTORS, FROM JULY
29, 2017 THROUGH SEPTEMBER 30, 2017, AND MOTION TO SHORTEN NOTICE**

Pension Trustee Advisors, Inc. (“PTA”), a pension consultant to the Financial Oversight and Management Board for Puerto Rico (“Oversight Board”), as representative of the Commonwealth, et al., pursuant to PROMESA section 315(b), submits its first interim application for allowance of compensation for services rendered from July 29, 2017 through September 30, 2017 (“Compensation Period”) in the amount of \$28,901.25 and reimbursement of actual and necessary expenses incurred in the amount of \$4,214.88, pursuant to PROMESA sections 316-17, Rule 2016, and Local Rule 2016-1, and motion to shorten the applicable notice period with respect to the application, pursuant to Rule 9006(c), and respectfully states:

¹ The Debtors in these Title III Cases, along with the last four digits of their respective Federal Tax ID numbers, are: (i) Commonwealth of Puerto Rico (“Commonwealth”) (3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (9686); and (v) Puerto Rico Electric Power Authority (“PREPA”) (3747).

JURISDICTION

1. This Court has subject matter jurisdiction to consider this application, pursuant to PROMESA section 306(a). Venue is proper in this district, pursuant to PROMESA section 307(a).

BACKGROUND

2. The Commonwealth commenced its Title III case on May 3, 2017; COFINA commenced its Title III case on May 5, 2017; HTA and ERS commenced their Title III cases on May 21, 2017; and PREPA commenced its Title III case on July 2, 2017. Pursuant to PROMESA section 315(b), the Oversight Board is the representative of each Debtor in its respective Title III case.

3. The Oversight Board engaged PTA to provide pension consulting services in these Title III cases by Agreement, effective July 29, 2018, approving its employment on an hourly basis. A copy of that agreement is annexed hereto as Exhibit 1.²

4. Prior to forming PTA in 2010, its principal, William Forna, had over thirty years of consulting and actuarial experience, primarily in the areas of retiree pension and healthcare benefits. Mr. Forna led Aon Consulting's public sector pension actuarial consulting practice from 2006 to 2010, and before that managed the Denver Retirement Practice of Buck Consultants and opened the Denver office of Gabriel, Roeder, Smith & Co. His prior positions also include serving as corporate actuary for Boeing and consultant for numerous multinational corporations in Brazil and Argentina during his ten years at Towers Perrin.

² PTA was previously engaged by the Oversight Board pursuant to an Independent Contractor Services Agreement, effective April 15, 2017. However, that agreement did not cover services rendered in these Title III cases.

5. Mr. Forna is a Fellow of the Society of Actuaries, Enrolled Actuary, Member of the American Academy of Actuaries, and Fellow of the Conference of Consulting Actuaries. He currently serves on the steering committee of the Conference of Consulting Actuaries Public Plans Community, and is on the faculty of the Society of Actuaries Fellowship Admissions Course. He is a frequent speaker at organizations such as the National Association of State Retirement Administrators, the National Council on Teacher Retirement, the National Association of Public Pension Attorneys, the National Conference on Public Employee Retirement Systems, the Pension Research Council, the Conference of Consulting Actuaries, the Western Pension and Benefits Conference, the International Foundation of Employee Benefit Plans, The Conference Board, the Government Finance Officers Association, and the Brazilian Association of Pension Plans.

BASIS FOR RELIEF REQUESTED

I. FIRST INTERIM FEE APPLICATION

6. PROMESA section 316(a) provides that this Court “may award to a professional person employed by ... the Oversight Board (in the Oversight Board’s sole discretion) ... (1) reasonable compensation for actual, necessary services rendered by the professional, or attorney and by any paraprofessional employed by any such person; and (2) reimbursement for actual, necessary expenses.”

7. Pursuant to subdivision (c):

In determining the amount of reasonable compensation to be awarded to a professional person, the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including—

- (1) the time spent on such services;
- (2) the rates charged for such services;

(3) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this chapter;

(4) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed;

(5) with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and experience in the restructuring field; and

(6) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title or title 11, United States Code.

8. PROMESA section 317 and the First Amended Interim Compensation Order, entered November 8, 2017 [ECF No. 1715] (“Interim Compensation Order”) permit professionals to apply for allowance of compensation and reimbursement of expenses on an interim basis.

9. Each factor set forth in section 316(a) supports allowance of the compensation sought herein on an interim basis.

(a) Time spent on services rendered. During the Compensation Period, PTA expended 78.25 hours in connection with services rendered advising the Oversight Board. Specific services rendered include preparation for and attendance at mediation with the Official Committee of Retired Employees and related post-mediation services and correspondence. Time detail for the Compensation Period is annexed hereto as Exhibit 2.³

³ Corresponding invoices, dated September 7, 2017 and October 6, 201, that include this time detail in a slightly higher amount due to PTA’s not having discounted nonworking travel time by 50% in accordance with the Fee Examiner’s guidance (PTA so discounted such time herein), were previously sent to the Oversight Board. In addition, time detail herein (and in those invoices) was maintained in quarter-hour increments. PTA understands from guidance issued after the Compensation Period that time should be billed in one-tenth of an hour increments and shall hereafter do so.

(b) Rates charged. As set forth in the Fornia Certification (defined below), the rates charged for services rendered herein are at or below those charged to PTA's other clients.

(c) Whether Services were necessary or beneficial. The services rendered were necessary to the administration of these Title III cases, and beneficial when rendered. The Oversight Board hired PTA for the express purpose of providing these services and has approved this application.

(d) Timeliness of services rendered. The services rendered were performed within a reasonable amount of time, given their complexity and importance to these Title III cases.

(e) Professional certifications; Restructuring Experience. As noted above, Mr. Fornia is a Fellow of the Society of Actuaries, Enrolled Actuary, Member of the American Academy of Actuaries, and Fellow of the Conference of Consulting Actuaries. He has significant restructuring experience, having provided advisory services similar to those for which PTA was engaged herein in Detroit's and Stockton's chapter 9 bankruptcy cases.

10. During the Compensation Period, PTA incurred reasonable and necessary expenses in connection with its engagement. A detailed itemization is annexed hereto as Exhibit 3. Mr. Fornia has endeavored to minimize expenses incurred in connection with this engagement, and submits that those expenses for which reimbursement is sought are reasonable and justified under the circumstances to effectively serve the needs of the Oversight Board herein.

11. The certification required by Local Rule 2016-1(a)(4) and Rule 2016 is annexed hereto as Exhibit 4 ("Fornia Certification").

II. MOTION TO SHORTEN NOTICE

12. Pursuant to Rule 2002(a)(6), at least 21 days' prior notice is required of the hearing on a professional's request for compensation or reimbursement of expenses. Pursuant to Rule 9006(c), the applicable notice period may be shortened for cause shown. Cause exists to shorten the applicable notice period with respect to this application. PTA engaged counsel to assist with this application on February 9, 2018. The following week counsel served PTA's first consolidated monthly fee statement and this application, and asked the Fee Examiner when PTA could next have its first interim fee application heard. On February 16, 2018, the Fee Examiner suggested that PTA notice the application so as to be heard March 7, 2018 and include therein a request to shorten notice.

NOTICE

13. Notice hereof has been served upon the following:

Fee Examiner
bwilliam@gklaw.com
kstadler@gklaw.com
adalton@gklaw.com

Fiscal Agency and Financial Advisory Authority
jrapisardi@omm.com
suhland@omm.com
dperez@omm.com

Official Committee of Unsecured Creditors
lucdespins@paulhastings.com
andrewtenzer@paulhastings.com
michaelcomerford@paulhastings.com
alexbongartz@paulhastings.com

Official Committee of Retired Employees
rgordon@jenner.com
rlevin@jenner.com
csteege@jenner.com
mroot@jenner.com

Financial Oversight and Management Board
arthur.gonzalez@nyu.edu

Office of the United States Trustee
guy.gebhardt@usdoj.gov

WHEREFORE, PTA requests an order, in the form annexed hereto as Exhibit 5, (a) allowing interim compensation for professional services rendered during the Compensation Period in the amount of \$28,901.25 and reimbursement for actual and necessary expenses incurred during such period in the amount of \$4,214.88; (b) directing payment of the foregoing amounts, less that portion already paid pursuant to the Interim Compensation Order; (c) shortening the applicable notice period with respect to PTA's application; and (d) granting such other and further relief as this Court deems just and proper.

Dated: February 20, 2018

Respectfully submitted,

/s/ William Forna

William Forna
Pension Trustee Advisors, Inc.

*Pension Consultant to Financial Oversight
and Management Board*

By: /s/ Jeffrey Chubak

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